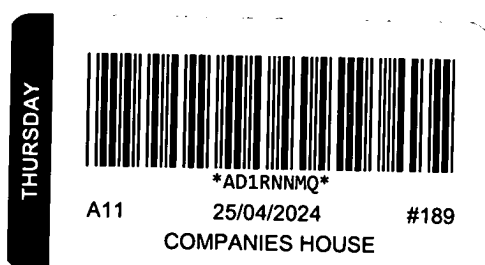


MGE Global Holding Limited

Annual Report

for the year ended September 30, 2023

Registered number: 11801220



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MGE Global Holding Limited

Company Information

Registered Address:

50 Broadway, Suite 5, 7th Floor
London, England SW1H QDB

Company Secretary:

Tricor Corporate Secretaries Limited
50 Broadway, Suite 5, 7th Floor
London, England SW1H QDB

Directors:

Haven S. Pope
Andrew R. Rudzinski

Auditors:

Deloitte LLP
2 New Street Square
London, England EC4A 3BZ

Strategic Report

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

MGE Global Holding Limited ("the Company") is a holding company that carries indirect investments in integrated gaming and entertainment facilities.

Review of the business, KPIs and future developments

The Company was established in order to hold investments in underlying integrated gaming and entertainment facilities. As an intermediate holding company, it does not trade itself but holds an investment in subsidiaries; as such, it does not consider itself to have any KPIs.

The Directors do not expect any changes in the nature of the Company's business or activities in the coming 12 months.

Principal risks and uncertainties

Financial risk management objectives and policies

The Company's activities do not expose it to any financial risks. It has no financial obligations reflected in financial instruments, no debtors or creditors, and no short-term liquidity demands.

Due to the nature of the Company, there are no Company specific risks. However, the group of which the Company is a part faces important risks and uncertainties that could significantly affect anticipated future results. These risks and uncertainties include, but are not limited to, those relating to the following:

- the COVID-19 pandemic and the related social and economic disruptions;
- the financial performance of our various operations;
- the local, regional, national or global economic climate;
- increased competition, including the expansion of gaming in jurisdictions in which we own or operate gaming facilities;
- our leverage and ability to meet our debt service obligations and maintain compliance with financial debt covenants;
- the continued availability of financing;
- our dependence on existing management;
- our ability to integrate new amenities from expansions to our facilities into our current operations and manage the expanded facilities;
- changes in federal, state or international tax laws or the administration of such laws;
- changes in gaming laws or regulations, including the limitation, denial or suspension of licenses required under gaming laws and regulations;
- cyber security risks relating to our information technology and other systems or that of our partners or vendors, including misappropriation of customer information or other breaches of information security;
- changes in applicable laws pertaining to the service of alcohol, smoking or other amenities offered at our facilities;
- our ability to successfully implement our diversification strategy;
- an act of terrorism;
- our customers' access to inexpensive transportation to our facilities and changes in oil, fuel or other transportation-related expenses;

Strategic Report

- a variety of uncontrollable events that could impact our operations, such as health concerns, adverse weather and climate conditions, catastrophic events or natural disasters or international, political or military developments, including social unrest;
- risks associated with operations in various foreign jurisdictions such as the United States, Canada or South Korea;
- failure by our employees, agents, affiliates, vendors or businesses to comply with applicable laws, rules and regulations, including state gaming laws and regulations and anti-bribery laws such as the United States Foreign Corrupt Practices Act, and similar anti-bribery laws in other jurisdictions; and
- fluctuations in foreign currency exchange rates.

Section 172 Statement

The following disclosure describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the Directors' statement required under section 414CA of The Companies Act 2006.

S172(1) (a) The likely consequences of any decision in the long term

The Directors understand the business, and the evolving environment in which the group of which the Company is a part operates, and the group strives to deliver sustainable profitable growth in its underlying operations while advancing the group's strong brand reputation. The group seeks the kind of growth that cascades benefit throughout the entire organisation and creates opportunities for all stakeholders.

S172(1) (b) The interests of the Company's employees

Whilst the Company itself does not have any employees, the Directors recognise that the employees of the Company's underlying trading subsidiaries are fundamental and core to the business and delivery of its strategic ambitions. The success of the business depends on developing an engaged, high-performing team that embodies company values and positions the group well for the future. From ensuring that the group remains a responsible employer, from pay and benefits to its health, safety, and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (c) The need to foster the Company's business relationships with suppliers, customers and others

The Company itself does not have direct suppliers or customers. However, delivering the Company's wider group's strategy requires strong mutually beneficial partnerships with customers and suppliers of the Company's underlying trading subsidiaries. They are at the centre of every decision made in order to elevate each customer experience and foster exceptional strategic partnerships.

S172(1) (d) The impact of the Company's operations on the community and the environment

The Company is not an operating entity. However, the wider Mohegan group is committed to protecting the environment from its work activities. To conserve and protect resources, the group seeks to reduce environmental impact through

Strategic Report

sustainable purchasing, source reduction, waste diversion, energy and water management, and using alternative and renewable energy sources wherever possible.

S172(1) (e) The desirability of the Company maintaining a reputation for high standards of business conduct

The wider group's Code of Conduct gives clear guidance on how to consistently act in accordance with uncompromising ethical standards.

S172(1) (f) The need to act fairly as between members of the Company

The Company is a 100% owned subsidiary within a wider corporate group, and itself owns investments in subsidiaries. The Directors ensure that delivery of the strategy is aligned with that of its member and there are regular meetings with the management of the holding company to formalise this.

Approved by the Board on March 28, 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'H. S. Pope', written in a cursive style.

Haven S. Pope
Director

Directors' Report

The Directors present the annual report and audited financial statements for the year ended September 30, 2023 which reflect net loss of \$205 million for the period then ended. Future developments have been discussed in the Strategic Report.

Directors

From the time of the Company's incorporation through April 3, 2023, Scott Wells was a Director of the Company. From July 17, 2020 until his departure, Mr. Wells was the sole Director of the Company. Effective April 4, 2023, in connection with his departure from MGE, Mr. Wells resigned as a Director of the Company. On that same date, Haven S. Pope and Andrew R. Rudzinski were appointed Directors of the Company and remain so as of the date of signature of the financial statements.

Dividends

During the year ended September 30, 2023, the Company declared and paid a dividend totaling \$41.4 million. No dividends were declared or paid during the year ended September 30, 2022.

Going concern

The Directors have assessed the Company's ability to meet its obligations over a period not less than 12 months from the signing of the financial statements. In doing so, the Directors have considered the forecast obligations of the Company and its ability to fulfil these. Given the Company does not trade, it does not have any day-to-day working capital requirements. However, the Company has generated losses since inception, and carries an accumulated deficit. Accordingly, the Directors considered that the Company is ultimately dependent upon continued support from its parent company.

Mohegan Global Holding Corporation has confirmed that it will support the Company for a period of at least 12 months from the date of signing these financial statements, and the Company's ability to continue as a going concern is not dependent upon the financial position or results of operations of its subsidiaries. The Directors have made appropriate enquiries into the ability of the parent to satisfy this commitment. Therefore, the financial statements have been prepared on a going concern basis.

Management of capital

The Company's capital is not controlled by the Company. The Company's capital is controlled by, and managed for the benefit of, the wider Mohegan group.

Subsequent events

The Company has evaluated events subsequent to September 30, 2023 through the issuance of the financial statements and has not identified any additional events for disclosure.

Director's indemnity

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors, which were made during the period and remain in force at the reporting date.

Statement on business relationships

The Directors' responsibility to disclose a statement summarising how they have taken into account the need to foster the Company's relationships with third parties has been satisfied in the Strategic Report in the section "*SI72(1) (c) The need to foster the Company's business relationships with suppliers, customers and others*".

Directors' Report

Statement on energy and carbon

In respect of the Company's obligations under energy and carbon reporting, the Company considers itself exempt from disclosure as it has consumed fewer than 40,000 kWh in the period.

Auditor

BDO LLP resigned from their appointment as auditor during the year and, thereafter, Deloitte LLP was appointed as the Company's auditor. Deloitte LLP have indicated their willingness to be reappointed for another term and a resolution to this effect will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure to auditor

The persons who are Directors at the date of approval of this report confirm that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Company on March 28, 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'H. S. Pope', written in a cursive style.

Haven S. Pope

Director

Director's responsibilities statement

For the fiscal year ended September 30, 2023

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires the Directors to:

1. properly select and apply accounting policies;
2. present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
3. provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the entity's financial position and financial performance; and
4. make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of

MGE Global Holding Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of MGE Global Holding Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive loss;
- the statement of financial position;
- the statement of changes in shareholder's equity;
- the statement of cash flows;
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of

MGE Global Holding Limited

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Independent Auditor's Report to the Members of

MGE Global Holding Limited

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- Impairment of investments held at cost: The engagement team have assessed management's impairment analysis and valuation techniques used to compare the cost value to the investments recorded in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:


- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Independent Auditor's Report to the Members of
MGE Global Holding Limited

DocuSigned by:

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Ed Bleakley (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

28 March 2024 | 22:55:00 GMT

MGE Global Holding Limited

Statement of Financial Position

(in thousands of United States Dollars)

		September 30,		
	Note	2023	2022 (Restated)*	2021 (Restated)*
Assets				
Non-current assets:				
Investment in Korea Holding Ltd.	10	\$ 194,744	\$ 319,189	\$ 305,817
Investment in MGE Canada Holding Ltd.	10	273,502	273,426	269,123
Total non-current assets		468,246	592,615	574,940
Total assets		\$ 468,246	\$ 592,615	\$ 574,940
Liabilities and shareholder's equity				
Current liabilities				
Accrued expenses		\$ 309	\$ 26	\$ 13
Due to group companies		117	12	—
Total liabilities		426	38	13
Shareholder's equity				
Share capital	5	—	—	—
Share premium	6	614,911	541,008	541,008
Other capital reserve	7	53,241	51,674	33,940
Accumulated deficit		(200,332)	(105)	(21)
Total shareholder's equity		467,820	592,577	574,927
Total liabilities and shareholder's equity		\$ 468,246	\$ 592,615	\$ 574,940

*The comparative information has been restated as a result of a prior period error as discussed in Note 2.

The accompanying notes are an integral part of these financial statements.

The accounts of MGE Global Holding Limited (registered number 11801220) were approved by the Directors and authorised for issue on March 28, 2024 and are signed on their behalf by



Haven S. Pope
Director

MGE Global Holding Limited

Statement of Comprehensive Loss

(in thousands of United States Dollars)

For the fiscal year ended September 30,			
	Note	2023	2022
Dividend income	10	\$ 43,398	\$ —
Administrative expenses		450	84
Impairment of investment	10	247,759	—
Loss before income taxes		(204,811)	(84)
Income taxes	12	—	—
Net loss and comprehensive loss		<u>\$ (204,811)</u>	<u>\$ (84)</u>

There were no items of other comprehensive income and, therefore, a separate statement of other comprehensive income has not been prepared.

The accompanying notes are an integral part of these financial statements.

MGE Global Holding Limited

Statement of Changes in Shareholder's Equity

(in thousands of United States Dollars)

	Note	Shares	Share Capital	Share Premium	Other Capital Reserve	Accumulated Deficit	Total
Balance, September 30, 2021 as previously reported		105	\$ —	\$ 351,763	\$ —	\$ (21)	\$ 351,742
Restatement impact		—	—	189,245	33,940	—	223,185
Balance, September 30, 2021 Restated		105	—	541,008	33,940	(21)	574,927
Total comprehensive loss		—	—	—	—	(84)	(84)
Capital contributions as previously reported		—	—	17,734	—	—	17,734
Restatement impact	5, 6	—	—	(17,734)	17,734	—	—
Balance, September 30, 2022		105	—	541,008	51,674	(105)	592,577
Total comprehensive loss		—	—	—	—	(204,811)	(204,811)
Share issuance	5, 6	3	—	119,903	—	—	119,903
Other capital contributions	7	—	—	—	1,567	—	1,567
Share premium reduction	6	—	—	(46,000)	—	46,000	—
Dividend payment	6	—	—	—	—	(41,416)	(41,416)
Balance, September 30, 2023		108	\$ —	\$ 614,911	\$ 53,241	\$ (200,332)	\$ 467,820

The accompanying notes are an integral part of these financial statements.

MGE Global Holding Limited

Statement of Cash Flows

(in thousands of United States Dollars)

	For the fiscal year ended	
	September 30, 2023	September 30, 2022
Cash flows used in operating activities:		
Net loss	\$ (204,811)	\$ (84)
Adjustments to reconcile net loss to cash flows used in operations:		
Dividend received	(43,398)	—
Impairment of investment	247,759	—
Changes in operating assets and liabilities:		
Other accrued expenses	283	13
Due to group companies	105	12
Net cash flows used in operating activities	(62)	(59)
Cash flows used in investing activities:		
Dividend received	43,398	—
Investment in Subsidiaries	(123,390)	(16,499)
Net cash used in investing activities	(79,992)	(16,499)
Cash flows provided by financing activities:		
Contribution from parent	119,903	16,558
Dividend paid	(41,416)	—
Net cash provided by financing activities	78,487	16,558
Increase in cash	(1,567)	—
Cash, beginning of period	—	—
Cash, end of period	\$ (1,567)	\$ —

The accompanying notes are an integral part of these financial statements.

MGE Global Holding Limited

Notes to Financial Statements

For the fiscal year ended September 30, 2023

(in thousands of United States Dollars)

Note 1 – Nature of Business and Control

MGE Global Holding Limited (the “Company”) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company’s registered office is 50 Broadway, Suite 5, 7th Floor, London SW1H QDB.

The Company is an indirect wholly-owned subsidiary of the Mohegan Tribal Gaming Authority (“MTGA”), which also acts as its ultimate controlling party and the smallest and largest corporate group into which the Company is consolidated. MTGA is primarily engaged in the ownership, operation and development of integrated entertainment facilities. MTGA’s registered office and principal place of business is One Mohegan Sun Boulevard, Uncasville, Connecticut, 06382, U.S.A.

The entities in the Company’s structure form part of a group of companies of which The Mohegan Tribe of Indians of Connecticut (the “Mohegan Tribe”), a United States federally-recognized Indian Tribe, is the ultimate controlling party (the “Group”). The Mohegan Tribe and MTGA are expanding their investments in gaming operations and related hotel, entertainment and restaurant operations outside of the United States. In connection with this expansion, the Group determined that it was in its best interest to establish a favourable jurisdiction to hold, manage, invest, finance, set the strategy to and, in the longer term, potentially divest its non-United States investments and that the United Kingdom (“UK”) is a preferred location to hold the Group’s non-United States investments for various commercial reasons, including, among others, the UK’s established and stable economy, access to global capital markets, established legal system, ease of transportation, and that its location is well positioned for non-United States operations.

The Company is a holding company. For the fiscal years ended September 30, 2023 and 2022, the Company had two Directors and no employees. As such, the financial statements do not present a note on employee costs.

The Company is consolidated in the financial statements of its ultimate parent, MTGA, and such consolidated financial statements may be obtained publicly from www.mohegangaming.com.

Note 2 – Basis of Presentation

The Company is exempt from the requirement to prepare group accounts under Section 401 of the Companies Act.

These financial statements have been prepared in accordance with UK-adopted international accounting standards. The preparation of financial statements in accordance with these standards requires the use of certain critical accounting estimates as outlined in Note 4. These standards also require management to exercise judgement in applying the Company’s accounting policies.

The Company does not maintain a bank account. However, from time to time the Company receives ownership of certain cash amounts, including the right to direct the use of such. The Company’s accounting policy is to report cash flows according to their nature on the basis that, as the principal in the transaction, the Company has the right to such cash inflows and/or the obligation to settle the liability.

These financial statements were prepared on a going concern basis, under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Prior period error

In 2019, the Company received cash and non-cash contributions from another Group company which it further passed on to its subsidiary, MGE Canada Holding Limited (“the Canada Transaction”). This transaction was recorded at an incorrect amount; it was recorded based on the amount of cash transferred instead of the estimated fair value of the transaction. Additionally, all equity contribution amounts were reported within share premium in the statement of financial position. These prior period financial statements have been restated to correct for these errors. The restated amounts (1) reflect the Canada Transaction at fair value, and (2) allocate amounts between share capital, share premium, and other capital reserve.

The restatement had no impact on results of operations for any prior period.

MGE Global Holding Limited

Notes to Financial Statements

For the fiscal year ended September 30, 2023

(in thousands of United States Dollars)

The following table summarises the impact of correcting the prior period errors on the financial statements of the Company:

	September 30, 2022			September 30, 2021		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
Assets						
Investment in MGE Canada Holding Ltd.	\$ 50,241	\$ 223,185	\$ 273,426	\$ 45,938	\$ 223,185	\$ 269,123
Total assets	\$ 50,241	\$ 223,185	\$ 273,426	\$ 45,938	\$ 223,185	\$ 269,123
Shareholder's equity						
Share capital	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Share premium	369,497	171,511	541,008	351,763	189,245	541,008
Other capital reserve	—	51,674	51,674	—	33,940	33,940
Retained earnings	(105)	—	(105)	(21)	—	(21)
Total shareholder's equity	\$ 369,392	\$ 223,185	\$ 592,577	\$ 351,742	\$ 223,185	\$ 574,927

Note 3 – Summary of Significant Accounting Policies

Foreign Currency

The accompanying financial statements are presented in United States dollars, which is also the Company's functional currency.

Foreign currency transactions, if any, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are reflected in the financial statements at the exchange rates prevailing at the reporting dates. Non-monetary assets and liabilities denominated in foreign currencies measured in terms of historical cost are translated into United States dollars at historical exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency, are recognized in the statement of comprehensive loss.

Investments

The Company accounts for its investments in subsidiaries at cost, in accordance with International Accounting Standard No. 27. Therefore, investments are presented in the accompanying statement of financial position at historical cost, with any dividends recognized when the Company's right to receive the dividend is established. Dividends, if any, are recognized in the statement of income (loss) and comprehensive income (loss).

Investments are reviewed for impairment at the end of each reporting period by assessing whether there are events or circumstances that indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the recoverable amount of the asset is estimated to determine whether there is an impairment loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

An impairment loss is reversed if an asset's recoverable amount increases to the extent that the related asset's carrying amount is no larger than that would have been determined had no impairment been recorded.

The Company determined that there were impairment indicators relating to its investment in subsidiary as of September 30, 2023 (refer to Note 4).

Notes to Financial Statements

For the fiscal year ended September 30, 2023

(in thousands of United States Dollars)

Taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from initial goodwill.

Deferred tax assets arising from deductible temporary differences associated with investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date. The Company has concluded that it is not probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Accordingly, no deferred tax asset has been recognized as of September 30, 2023.

Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Financial assets are initially recorded at fair value and are measured subsequently at amortized cost, fair value through other comprehensive income, or fair value through profit or loss depending on the classification of the financial asset. As of September 30, 2023 the Company did not hold any financial assets.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and the Company does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Company has the following non-derivative financial liabilities: accrued expenses, and due to group companies, which are all recorded at amortized cost using the effective interest rate method.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

MGE Global Holding Limited

Notes to Financial Statements

For the fiscal year ended September 30, 2023

(in thousands of United States Dollars)

The Company has no non-derivative financial liabilities measured at fair value through profit or loss.

New and revised IFRS standards issued and adopted

- *Amendments to IAS 16, Property, Plant and Equipment — Proceeds before Intended Use*
- *Annual Improvements to IFRS Standards 2018–2020 (May 2020)*
- *Amendments to IFRS 3 (May 2020), Reference to the Conceptual Framework*
- *Amendments to IAS 37 (May 2020), Onerous Contracts - Cost of Fulfilling a Contract*

New and revised IFRS standards in issue but not yet effective

- *IFRS 17, Insurance Contracts*
- *Amendments to IFRS 17*
- *Amendments to IFRS 4, Extension of the Temporary Exemption from Applying IFRS 9*
- *Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of accounting policies*
- *Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- *Amendments to IAS 8, Definition of accounting estimates*
- *Amendments to IFRS 17, Initial Application of IFRS 17 and IFRS 9 — Comparative Information*
- *Amendment to IAS 12, International Tax Reform — Pillar Two Model Rules*
- *Amendment to IFRS 16, Lease Liability in a Sale and Leaseback*
- *Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements*
- *Amendments to IAS 1, Non-current Liabilities with Covenants*
- *Amendments to IAS 1, Classification of liabilities as current or non-current*
- *Amendments to IAS 1, Classification of Liabilities as Current or Non-current — Deferral of Effective Date*

Note 4 – Critical Accounting Estimates and Judgements

In applying the Company's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

MGE Global Holding Limited

Notes to Financial Statements

For the fiscal year ended September 30, 2023

(in thousands of United States Dollars)

Critical judgements in applying the Company's accounting policies

Indicators of impairment regarding investment in subsidiary

The Company holds a United States Dollar denominated equity investment in its subsidiary as presented in Note 10 to the financial statements. In preparing these financial statements the Directors are obliged to consider whether there were any events or circumstances, internal or external, that may constitute an indicator of impairment. Were such events or circumstances to exist, then the investments would be subjected to an impairment review as provided for in IAS 36. After considering many factors, including increasing debt levels at its indirect subsidiary Inspire, rising interest rates, and changes in the Korean Won exchange rates, the Directors determined there were circumstances that constituted a triggering event in the period. Accordingly, the Company conducted an impairment review of this investment (see below).

Deferred tax

As outlined in Note 12, the Directors have concluded that a deferred tax asset of \$21.5 thousand should not be recognised on account of the uncertainty of future taxable income that the asset would be eligible to relieve.

Key sources of estimation uncertainty

Impairment of investment in subsidiary

As discussed above, the Directors determined the need for an impairment review of its investment in subsidiary. The estimated recoverable amount of the investment was determined using a discounted cash flow model, which utilized Level 3 inputs, less the carrying amount of long-term debt. The primary unobservable input utilized in estimating the recoverable amount of the investment was the discount rate, which was 10.08%. In connection with this assessment, the Company recorded an impairment charge totaling \$247.8 million, resulting in a revised carrying value of \$194.7 million as of September 30, 2023. A ten percent increase or decrease in the discount rate would result in \$47.2 million increase or \$49.5 million decrease, respectively, in the impairment charge. A ten percent increase or decrease in the forecasted future cash flows would result in a \$217.7 million decrease or \$199.2 million increase, respectively, in the impairment charge.

The Directors do not believe that there are any key sources of estimation uncertainty that would impact upon the financial statements over the next twelve months.

Note 5 – Share Capital

	Number of shares
Authorized:	
Ordinary shares of \$1 each, at September 30, 2023	108
Issued and fully paid:	
At September 30, 2021, ordinary shares of \$1 each	105
Issued during the year	—
Own shares acquired during the year	—
At September 30, 2022, ordinary shares of \$1 each	105
Issued during the year	3
Own shares acquired during the year	—
At September 30, 2023, ordinary shares of \$1 each	108

The Company has one class of ordinary shares which carry no right to fixed income. Each share has full rights to receive notice of, attend, and vote at general meetings. Each share carries one vote, and full rights to dividends and capital distributions, including upon winding up.

MGE Global Holding Limited

Notes to Financial Statements

For the fiscal year ended September 30, 2023

(in thousands of United States Dollars)

Note 6 – Share Premium

Balance at September 30, 2021	\$	541,008
Premium arising from capital contributions		—
Balance at September 30, 2022		541,008
Premium arising from capital contributions		119,903
Premium reduction		(46,000)
Balance at September 30, 2023	\$	614,911

Cash capital contributions totaling \$119.9 million were made to the Company by its parent in exchange for three ordinary shares during the fiscal year ended September 30, 2023.

During the year ended September 30, 2023, the Company elected to reduce the share premium account by \$46 million, and to credit such amount to accumulated deficit. Subsequent to this resolution, the Company paid a dividend to its parent totaling \$41.4 million.

Note 7 – Other Capital Reserve

During the year ended September 30, 2022, MGA transferred its ownership interest in MGA Korea LLC to the Company. In turn, the Company transferred this interest to its subsidiary MGE Korea Holding.

This transaction was accounted for as a capital contribution to the Company, and concurrent capital contribution by the Company to Korea Holding, using the book value method. Accordingly, this non-cash capital contribution was recorded at MGA's historical cost of \$1.2 million. No shares were issued in connection with this transaction.

In addition, the Company received cash capital contributions totaling \$1.6 million and \$17.7 million during the fiscal year ended September 30, 2023 and 2022, respectively. No shares were issued in connection with these contributions.

Note 8 – Director's Remuneration

The Directors of the Company are employees of MTGA and do not receive incremental compensation in exchange for their services as Directors of the Company. The Directors' base salary is borne by another group company.

Note 9 – Auditor's Remuneration

Fees payable to the Company's auditor for the audit of the Company's and its UK subsidiaries' annual accounts for the year ended September 30, 2023 totaled £100.0 thousand. For the year ended September 30, 2022, fees payable to the Company's auditor for the audit of the Company's annual accounts totaled £10.0 thousand.

No non-audit fees were incurred with the Company's auditor, Deloitte LLP, for the year ended September 30, 2023, or by its predecessor auditor, BDO LLP, for the year ended September 30, 2022.

Note 10 – Investments in Subsidiaries

As of September 30, 2023, the Company had the following direct subsidiaries, both of which were wholly owned holding companies: MGE Canada Holding Limited, and MGE Korea Holding Limited. The Company's Investments in subsidiaries totaled \$468.2 million and \$592.6 million as of September 30, 2023 and 2022, respectively. During the year ended September 30, 2023, the Company received a dividend totaling \$43.4 million from MGE Canada Holding Limited.

The subsidiaries of the Company, direct and indirect, are listed below:

	Registered office address	Principal activity	%
* MGE Canada Holding Ltd.	50 Broadway, Suite 5, 7th Floor London, England SW1H QDB	Holding company	100
MGE Canada Ltd.	50 Broadway, Suite 5, 7th Floor London, England SW1H QDB	Holding company	100

MGE Global Holding Limited

Notes to Financial Statements

For the fiscal year ended September 30, 2023

(in thousands of United States Dollars)

MGE Niagara Entertainment Holdings Inc.	6380 Fallsview Blvd Niagara Falls, Ontario, Canada L2G 7X5	Holding company	100
MGE Niagara Entertainment Inc.	6380 Fallsview Blvd Niagara Falls, Ontario, Canada L2G 7X5	Integrated resort	60
MGE Management Inc.	6380 Fallsview Blvd Niagara Falls, Ontario, Canada L2G 7X5	Management company	100
MGE Digital Canada Holdings Inc.	22 Adelaide Street West, Suite 3400 Toronto, Ontario, Canada M5H 4E3	Holding company	100
MGE Digital Canada Inc.	22 Adelaide Street West, Suite 3400 Toronto, Ontario, Canada M5H 4E3	Digital gaming company	60
MGE Digital Management Inc.	22 Adelaide Street West, Suite 3400 Toronto, Ontario, Canada M5H 4E3	Management company	100
Complex Services Inc.	6380 Fallsview Blvd Niagara Falls, Ontario, Canada L2G 7X5	Employee services	100
* MGE Korea Holding Ltd.	50 Broadway, Suite 5, 7th Floor London, England SW1H QDB	Holding company	100
MGE Korea Holding II Ltd.	22 Grenville Street, St Helier Jersey JE4 8PX Channel Islands	Holding company	100
MGE Korea Holding III Ltd.	22 Grenville Street, St Helier Jersey JE4 8PX Channel Islands	Holding company	100
MGE Korea Ltd.	50 Broadway, Suite 5, 7th Floor London, England SW1H QDB	Holding company	100
Inspire Integrated Resort Co., Ltd.	21F, Two IFC, 10 Gukjegeumyung-ro Yeongdeungpo-gu, Seoul, Korea 07326	Integrated resort development	100
MGA Korea LLC	21F, Two IFC, 10 Gukjegeumyung-ro Yeongdeungpo-gu, Seoul, Korea 07326	Management company	100
MGE Korea TP Ltd.	50 Broadway, Suite 5, 7th Floor London, England SW1H QDB	Holding company	100

*held directly

Detail of the Company's investment in subsidiaries is as follows:

	Korea Holding Ltd.	MGE Canada Holding Ltd.	Total
Balance at September 30, 2021	\$ 305,817	\$ 269,123	\$ 574,940
Additions	13,372	4,303	17,675
Balance at September 30, 2022	319,189	273,426	592,615
Additions	123,314	76	123,390
Impairment (Note 4)	(247,759)	—	(247,759)
Balance at September 30, 2023	\$ 194,744	\$ 273,502	\$ 468,246

Note 11 – Related Party Transactions

The Group manages cash for the benefit of the Group as a whole. From time to time, the Company may pay expenses on behalf of another Group company or another Group company may pay on behalf of the Company. Such amounts due to or from Group companies are subsequently settled.

MGE Global Holding Limited**Notes to Financial Statements****For the fiscal year ended September 30, 2023***(in thousands of United States Dollars)*

Detail regarding amounts owed to or from the Company are as follows:

	September 30, 2023		September 30, 2022	
	Due from Group Companies	Due to Group Companies	Due from Group Companies	Due to Group Companies
Mohegan Global Holding Corporation	\$ —	\$ —	\$ —	\$ 12
MTGA	—	117	—	—
Total	\$ —	\$ 117	\$ —	\$ 12

Note 12 – Taxation

The effective tax rate for the period is 22%, which is a blended rate. The rate is attributed to the increase in the corporate tax rate from 19% to 25% as of April 1, 2023. A deferred tax asset of \$21.5 thousand and \$26.4 thousand as of September 30, 2023 and 2022, respectively, has not been recognized.

The charge for the year can be reconciled to the loss before tax as follows:

	For the fiscal year ended September 30,	
	2023	2022
Net loss	\$ (204,811)	\$ (84)
Tax at the effective of 22%	(45,058)	(21)
Tax effect of expenses that are not deductible in determining taxable profit:	41,620	—
Tax effect of income not taxable in determining taxable profit	(9,548)	—
Change in unrecognized deferred tax assets	12,986	21
Tax expense for the period	\$ —	\$ —

Note 13 – Subsequent Events

The Company has evaluated events subsequent to September 30, 2023 through the issuance of the financial statements on March 28, 2024 and has not identified any additional events for disclosure.